

An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 August 28, 2008

Members Present Kevin Chong Kee, Chairman

Kay Ahina Marvin Fong Kathryn Inouye Alexander Kane, Jr. Marcia Klompus Nelson Oyadomari Members Absent Kenneth Marcus

Alan Tamayose

Staff

Scott Chan
Lois Manin
Deborah Ishihara
Stephen Lee
Andrew Chang

Liane Nakagawa Shelly Shoji Shawn Nagata Engel Garcia Alan Arato

Others

John Dellera, Deputy Attorney General Randall Nishiyama, Deputy Attorney General Russ Saito, DAGS Comptroller Carl Clapp, UH Athletics Teri Chang, UH Athletics Davy Murayama, Centerplate Sam Shenkus, Centerplate's Marketing Consultant Neuman Shim, Swap Meet Vendors Association Ashley Harding, Swap Meet Vendors Association

I. CALL TO ORDER

A QUORUM BEING PRESENT, Chairman Kevin Chong Kee called the meeting to order at 10:07 a.m.

II. <u>APPROVAL OF MINUTES OF THE JULY 31, 2008 PUBLIC MEETING</u> AND THE AUGUST 6, 2008 SPECIAL MEETING.

Member Inouye made the following corrections to the July 31, 2008 minutes:

- Page 10, paragraph 6, second line: replace product with "plan."
- Page 11, paragraph 6, first line: replace commitment with "commit."
- Page 12, sixth line, remove the apostrophe from "it's."
- Page 12, eighth line, remove the apostrophe from "vendors."

Deputy Manager made the following correction:

• Page 2, III. A. Monthly Report: Delete Ms. Manin's name on the third line.

ON A MOTION BY MEMBER INOUYE TO ACCEPT THE JULY 31, 2008 MINUTES AND SECONDED BY MEMBER AHINA, THE BOARD UNANIMOUSLY APPROVED THE MINUTES AS CORRECTED.

ON A MOTION BY MEMBER AHINA TO ACCEPT THE AUGUST 6, 2008 MINUTES, AND SECONDED BY MEMBER OYADOMARI, THE BOARD UNANIMOUSLY APPROVED THE MINUTES.

III. MONTHLY REPORT

A. CHAIRMAN'S REPORT

Chairman Chong Kee stated reports made by Comptroller Russ Saito are meant to be informational for the Board and will no longer be listed on the agenda. He asked the Board to submit their requests in advance should they require specific information from the Comptroller.

Concerning the involvement of Board Members with events held at Aloha Stadium, Chairman recommended that all discussions take place at the Board meetings, rather than directly with the licensees. This procedure is meant to avoid any miscommunications and add to the success of the events.

B. MANAGER'S REPORT

Employee Orientation - Orientation of approximately 500 part-time and full-time employees turned out very well, with opening remarks by Comptroller Russ Saito and guest speakers: Lt. Governor James Aiona who spoke about "Aloha" and UH Athletic Director Jim Donovan. who presented a very inspirational message to the employees.

<u>Media Day – August</u> - Annually, the media is invited to attend this event where they are briefed by the Stadium and University of Hawaii (UH) of all changes that will take place during the upcoming UH football season. Centerplate also provides a luncheon with an introduction of the new vendors and their food samples.

<u>Training</u> – Employees of all branches have been trained and are prepared for the new season.

Quarterback Club (QB) – Stadium Manager was invited to speak at the QB meeting and shared the changes that will take place during the upcoming season. The main focus was on the new parking arrangements in the circular road; ADA parking; alternative parking; CIP renovation projects; and the hours of operation.

Security System – Effective August 1, 2008, a security system, along with a security gate at the main Salt Lake entrance, were installed to assist in preventing illegal activities that have been occurring at the stadium. We now have the capability of monitoring our entire facilities and dealing with issues immediately.

A presentation of the new system was made by Stadium Security Officer Andrew Chang.

<u>Scoreboard Renovations</u> - The completion of a nearly \$1.0 million renovation (replacing equipment over 10 yrs. old) will show a noticeable improvement in the picture quality, as well as many other features for the fans to enjoy.

<u>Secret Guest Program</u> - Stadium employees will be recognized for their outstanding service during the UH football season through our secret guest program. Coupons of appreciation, sponsored by UH, will be awarded to deserving employees.

<u>Football Press Box (FBPB)</u> - Deputy Manager Manin coordinated the renovations of the FBPB, which included repainting; new televisions and chairs to better accommodate the media and licensee.

Wheelchair Accommodations - Effective with the first UH game, guests will be able to check out a wheelchair at the first-aid stations (north and south) for a companion in need of one.

Member Klompus suggested that the new changes be included in the Stadium website. Stadium Manager acknowledged in addition to the website, Ms. Manin and UH will prepare a joint press release to inform the public of all changes. He noted also that Parking Supervisor Engel Garcia will coordinate updated parking information on the message boards on game day.

<u>Ticket Sales</u> - Approximately 30,000 tickets have been sold for the UH vs. Weber State game.

<u>Advertising Program</u> - With the assistance of UH's marketing division and Aloha Stadium's Shelly Shoji and Alan Arato, we are pleased that the advertising program is close to completion and that most of the previous advertisers did return this year.

<u>Deployment Ceremonies</u> - Although there were many challenges with a total of four events on the same day (Deployment Ceremonies; HUGS; Hoop Jam and Father Bray), along with the swap meet, everything went well without anyone getting hurt.

C. APPROVAL OF EVENTS

Oahu Pop Warner Football
 Youth Football Championships
 November 9,16,23,30, 2008 (Sundays)

A MOTION WAS MADE BY MEMBER AHINA AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

 University of Hawaii Football NCAA Division I Football Competition September 6,27,2008 (Saturdays) October 11,25,2008 (Saturdays) November 22,29,2008 (Saturdays) December 6, 2008 (Saturday)

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

3. MA Entertainment & VI Foundation Concerts – Mariah Carey and Four (4) Other Acts TBD October 14, 2008 (Tuesday)

A presentation of the event was made by Alan Santos with information on the event and the financial background.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER OYADOMARI TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

 MakDaddy Entertainment Music Concert Lower Halawa Parking Lot November 14, 2008 (Friday)

> A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

5. HHSAA dba Great Aloha Run February 16, 2009 (Monday)

A MOTION WAS MADE BY MEMBER KANE AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

6. Sports Car Club of Hawaii
January 11, 25, 2009 (Sundays)
February 15, 2009 (Sunday)
March 8,22, 2009 (Sundays)
April 12, 2009 (Sunday)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER OYADOMARI TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

7. Elite Sports International Youth Football- Pigskin Classic July 4-5, 2009 (Saturday/Sunday)

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

Member Inouye requested that rental charges be written on all future applications.

D. UHAD MONTHLY REPORT

Carl Clapp and Teri Chang expressed their appreciation on behalf of UH for the Stadium's assistance and patience in the preparation of the upcoming football season.

E. CENTERPLATE/SWAP MEET MONTHLY REPORT

Davy Murayama stated Centerplate's monthly report (including Swap Meet attendance figures) has been presented, and he was available to answer any questions that the Board may have. In their report, it was noted that \$125,000 was spent for marketing and advertising the Aloha Stadium Swap Meet during the last fiscal year. It was significant for them to note that this amount includes \$50,000 over their contractual obligations.

IV. UNFINISHED BUSINESS

A. Aloha Stadium Advertising Contract – discussion and action on subcommittee recommendation on revised "IFB" for the Aloha Stadium Advertising Contract.

IT WAS MOVED BY MEMBER KANE AND SECONDED BY MEMBER FONG TO GO INTO EXECUTIVE SESSION AT 12:20 P.M. THE MOTION CARRIED UNANIMOUSLY.

The public meeting reconvened at 12:46 P.M.

A MOTION WAS MADE BY MEMBER KLOMPUS AND DULY SECONDED TO ACCEPT THE COMMITTEE'S RECOMMENDATIONS TO THE REVISED IFB, AS SUBMITTED, WITHOUT CHANGE.

DISCUSSION

The general consensus by Deputy Attorney General Dellera, Comptroller Saito and the Board, is that with the bid award occurring in December, there is ample time for all of the televisions to be installed and operational by August 1, 2009.

THE MOTION CARRIED UNANIMOUSLY.

B. Aloha Stadium Swap Meet Consultant's Report. Chairman requested that Deputy Manager Manin present a quick summary of why a consultant's report was requested.

Ms. Manin reported - Because the business plan was not working, it was decided that a consultant should be hired to evaluate the current situation:

- 1. The report was completed and received in July, 2008;
- 2. A special meeting allowing the vendors an opportunity to voice their opinions was held on August 6, 2008, which comments are recorded in the minutes of that meeting;
- 3. Ms. Manin presented to the Board, Stadium Management's opinions and concerns of the consultant's suggestions;

4. The cost of the report was paid for by Centerplate. The Stadium did make an attempt to pay for the report, however, due to the advice of the State Procurement Office, Manager Chan withdrew its request for payment. Payment request presents several procedural violations, according to the SPO Guidelines.

Chairman Chong Kee requested a discussion by the Board.

Stadium Manager requested that the Board accept the consultant's report as is, since it has had an opportunity to review the report and allow the administration to work with the recommendations offered through the Consultant's report.

Chairman requested that Ms. Manin go through the procedures step by step for Board's comments:

Member Ahina suggested, rather than cover the report step-by-step, that a committee be formed to assist with the final decisions on the recommendations made. The committee should include Board members and management, and a representative of the Swap Meet Vendors' Association (with appropriate credentials that he or she is officially affiliated with the association).

Member Inouye agreed with Member Ahina and suggested adding someone from the retail industry to assist in terms of compiling the product category list.

Member Klompus was also in agreement of forming a committee.

It was asked of Mr. Murayama if Centerplate had any immediate issues that could possibly be resolved at the present meeting.

Mr. Murayama's Comments -

- Unfortunately most of the issues intertwine with each other and it would be difficult to resolve just one issue;
- The easiest solution for the E and F rows on Wednesdays (which affects the least amount of people) is to close the sides.
- Would like to use the volcano area for such things as a farmer's market, music festivals, recycling, Christmas tree sales, etc.

• Plans with a marketing firm are on hold until recommendations in the consultant's report are resolved.

Board members are in agreement that the immediate focus should be on bringing more people to the swap meet to shop.

Comments on Marketing the Swap Meet:

- Member Inouye suggested a 90-day marketing plan to immediately get more people to the swap meet. That would be the first phase; then, continue with the second phase after that (i.e., rule changes);
- Perhaps use some of the vendors who may have the capability to assist:
- Communicate with the tourist industry in some way.

Comments by Sam Shenkus, Marketing Consultant for Centerplate

- Swap Meet is currently advertising (a 1-page ad @\$1,200 per week) in the "This Week on Oahu" publication which are in all the racks at Waikiki for distribution to the tourists;
- Last month there was a drop in the visitor industry by 16%;
- Waikiki business is very slow;
- Opening three (3) days a week vs. competition that is open daily;
- 50-60% of the visitors in Waikiki shop in the evenings swap meet is not open in the evenings;
- For the local business, swap meet is competing with Walmart, K-mart, Sam's, etc;
- Cost of advertising with the airlines is approximately \$19,000.

Recommendation by Comptroller Russ Saito

Comptroller stated the Board could either accept the Consultant's Report and, based on Member Ahina's suggestion, direct either the Stadium Manager or a subcommittee to review the report and the recommendations being made; then return to the Board with a set of recommendations to act on. He noted it is not possible for the Board to cover line by line items during one meeting and that it needs to decide and vote on what tasks to assign to the Manager in order to conduct the official business. Some of the things that are being recommended may not be doable under the provisions of the existing contract and the Stadium Manager will need to advise the Board if the suggested changes can be implemented

Other Comments & Opinions

Member Klompus stated the Board is not qualified and it requires experienced people to complete the task.

Member Ahina asked management if they are able to fit this task in their busy schedules. Both Manager and Deputy Manager responded it is very important to get it done and they will fit it in their schedules. Stadium Manager said the swap meet is one of their major clients and they need to address this right away and make some decisions. Mr. Chan also noted they will not be able to please everyone, but decisions have to be made due to the decline in vendors and buyers during the last 3 years. The 4-stall rule is a major issue which requires a decision.

Member Klompus asked for opinions on the swap meet:

- Centerplate is in favor of a free market;
- Ms. Manin feels it should be a free market because she believes the swap meet is based on value – if there is no value for the customer, the customer will not shop. She also understands the change will hurt some of the vendors, but that is not management's intent. The intent is to help everyone at the swap meet;
- Member Kane recommended that management and Centerplate handle the task and inform the Board of their decision. Member Ahina and Member Klompus were in agreement.

Conclusion

Chairman Chong Kee stated it is not necessary to vote on this matter. He is recommending that Stadium Manager and Centerplate meet on this and bring their recommendations back to the Board at the next meeting.

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER AHINA TO ACKNOWLEDGE RECEIPT OF THE SWAP MEET CONSULTANT'S REPORT AND TAKE UNDER ADVISEMENT THE RECOMMENDATIONS MADE IN THAT REPORT. THE MOTION CARRIED UNANIMOUSLY.

(10-minute) Break

- V. New Business Discussion and Appropriate Action.
 - A. Stadium Manager's and Deputy Manager's Annual Performance Review Report from Stadium Manager on annual evaluation of Goals and Objectives for the fiscal year, 2007-2008.

Chairman provided the Board with a State evaluation form to help the Board decide how they wish to perform the evaluation. (A copy of the Goals & Objectives were provided to the Board in their packets.)

Member Ahina said she was very impressed with the Goals & Objectives presented and was also pleased that Manager Chan included the Strategic Plan.

The general opinion by the Board was that the form presented is not appropriate because the stadium has a unique situation where the Manager and Deputy Manager meet monthly with the Board; and the members are apprised of everything they do year-round. It was recommended by Member Klompus that the Manager submit (either at year-end or sometime in the month of May of every year) a brief recap in writing (1-2 pages) of what happened during the previous year, and stating the Manager's plans for the next year.

Comptroller Saito said what the Board is suggesting is a different method than the State evaluation form and that is fine. In most cases, Boards will ask for a self-evaluation by the Manager. Upon review of that self-evaluation with each other, the Board will then come up with a consensus on the rating of the manager.

Chairman Chong Kee asked Manager Chan to submit his recap annually at the May Board Meeting.

Comptroller's Comments:

- 1. Completed the Environmental Assessment (EA);
- 2. The National Football League wanted assurance that we are moving forward on the C.I.P. projects. He forwarded to them a full copy of the EA with a cover letter showing everything we are doing;
- 3. Completed the structural certification (it will compare the previous standards with the current standard [bldg. code]).
- 4. Roof Deck Replacement is out for bid, with \$11.0 million of funding available.

Comptroller stated concerning the extent of information the Board is requesting as a result of his reports at the meetings, he feels it is not necessary that he Members receive everything in writing. Chairman Chong Kee, as previously stated, said the Comptroller's reports are meant for information only, but not for distribution.

- VI. Next meeting September 25, 2008.
- VII. Adjournment.

Meeting was adjourned at 1:15 p.m.

KEVIN CHONG KEE

Chairman

Recorded by:

Diana Ho

Aproval Date:

September 25, 2008